

This record is a partial extract of the original cable. The full text of the original cable is not available.

121550Z Dec 05

ACTION AF-00

INFO	LOG-00	AID-00	CEA-01	CIAE-00	CTME-00	INL-00	DODE-00
	DOTE-00	PERC-00	DS-00	EB-00	EUR-00	EXIM-01	E-00
	FAAE-00	VC1-00	FRB-00	H-00	TEDE-00	INR-00	IO-00
	ITC-01	M-00	VCIE-00	NRC-00	NSAE-00	ISN-00	NSCE-00
	OES-00	OIC-00	OMB-00	NIMA-00	MCC-00	GIWI-00	ISNE-00
	FMPC-00	SP-00	SSO-00	SS-00	STR-00	BBG-00	EPAE-00
	IIP-00	SCRS-00	DSCC-00	PRM-00	DRL-00	G-00	NFAT-00
	SAS-00	SWCI-00	/003W				

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FM AMEMBASSY NDJAMENA
TO SECSTATE WASHDC 2725
INFO AMEMBASSY ABUJA
AMEMBASSY DAKAR
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY NIAMEY
AMEMBASSY PARIS
AMEMBASSY YAOUNDE
DEPT OF TREASURY WASHDC
USDOC WASHDC
DOE WASHDC

C O N F I D E N T I A L NDJAMENA 001760

SIPDIS

LONDON AND PARIS FOR AFRICA WATCHERS, TREASURY FOR OTA,
ENERGY FOR GPERSON AND CGAY

E.O. 12958: DECL: 12/11/2015

TAGS: [CD](#) [ECON](#) [EFIN](#) [ENRG](#) [EPET](#) [PGOV](#)

SUBJECT: GOC-WORLD BANK STILL DUKING IT OUT ON OIL LAW
REVISIONS, TREASURY ADVISOR'S STATUS STILL UNCLEAR

REF: NDJAMENA 1707 AND PREVIOUS

Classified By: Economic/Consular Officer Jitu Sardar for reasons 1.4 (b)
) and (d)

1. (C) SUMMARY: Even though some Chadian ministers remain optimistic about a compromise with the World Bank, President Deby reiterated the GOC's right to move forward with revising its oil revenue management law in a combative speech at ceremonies in Fada in northern Chad on December 10. Because the GOC had yet to send an invitation letter to the IMF and World Bank, the IMF decided to hold off sending its technical assessment mission to Chad. We continue to pursue the issue of permitting our Treasury Advisor to begin work at the College. While GOC ministers maintain it could be resolved within the next few weeks, other viewpoints indicate that GOC officials may not be so quick to agree to the advisor's placement in the College. END SUMMARY.

GOC OFFICIALS OPTIMISTIC OF COMPROMISE

2. (SBU) GOC officials stated to us last week that the Government believes a resolution can be reached with the World Bank on the revisions of the revenue management law. Minister of Plan, Economy, and Development Mahamat Hassan told the Ambassador on December 8 that the GOC is ready and willing to negotiate with the World Bank. He noted that President Deby's comments in the RFI interview November 28 reflected the Government's frustration with the World Bank, and the GOC's view of its sovereign right to make decisions on its oil revenues.

3. (SBU) Hassan stated that the Chadian delegation that visited Washington for the September World Bank-IMF meetings left with a deep sense of frustration that the World Bank had not acknowledged its concerns. Unmet expectations over benefits of oil, he argued, were creating deep social tensions among the population. Hassan noted that a rupture with the Bank would not be helpful. He pointed out that the GOC was painfully aware of this fact following the suspension of its IMF PRGF program in 2004.

4. (SBU) President of the Revenue Management College Abdoulaye Lamana told the Ambassador December 8 that he was optimistic about resolving the dispute between the GOC and the World Bank. Lamana stated that government officials, including the Prime Minister, told him the GOC would be prepared to negotiate an agreement on this front. Lamana noted that direct dialogue needed to take place at higher political levels in both organizations. While Lamana understand the reasoning for the World Bank to send a technical assessment mission to Chad, political dialogue

needed to occur with senior World Bank and GOC officials.

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DEBY REMAINS DEFIANT
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15. (U) President Deby reaffirmed his determination to push through revisions in the oil law in a speech at a rally in the northern city of Fada on December 10. He claimed oil revenues would continue to be managed transparently and with the goal of reducing poverty. In provocative terms, he asserted that he would never allow the World Bank or any other outsider to interfere with his country's sovereignty.

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IMF PULLS ITS ASSESSMENT TEAM FOR THE TIME BEING
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16. (SBU) IMF Representative Wayne Camard told the Ambassador on December 12 that the IMF had decided to pull its technical assessment mission, following a failure by the Prime Minister's office to formally invite a joint World Bank/IMF team to Chad. Camard stated that his headquarters could no longer wait for the GOC's response, while a team

that could be used for other assessment missions was put on stand-by.

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TREASURY ADVISOR STATUS ON HOLD
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17. (SBU) Concerning the status of U.S. Treasury Advisor Linda Gregory, who has yet to be able to begin work at the College, GOC ministers told the Ambassador that they would try to resolve her status as quickly as possible. Minister of Plan Hassan offered a time frame of ten days for a final resolution to Gregory's status. He said that the issue did not have to wait for action in the National Assembly on revising the oil law. He promised to consult with the Foreign Ministry and work out an agreement on the terms of reference of her contract.

18. (SBU) Following their meeting on December 2 (see reftel), Minister of Finance Abbas Tolli told the Ambassador on December 9 that a letter with the GOC's proposed revisions to the terms of reference in the Treasury Advisor's contract would be sent shortly. College President Lamana added in his meeting with the Ambassador that we should wait until the debate concerning the oil revenue laws begins on December 20, as he felt the GOC would solidify its position on the oil law revisions, the status of the Revenue Management College, and the position of the Treasury Advisor.

19. (C) While comments from these senior officials seem promising, other informal comments reveal that the GOC is hesitant to allow Gregory to begin her work in the College. In addition to comments made by the Ministry of Plan's Director of Plan (see reftel), former Minister of Finance Nadjiam Djaibe told the Embassy on December 9 that misguided officials were under the impression that the Treasury advisor would actually work for the World Bank, and thus were hesitant to allow her to assume her position. At the same time, GOC officials feared permitting scrutiny that could impede the flow of resources for President Deby's immediate objectives (i.e., elections, preserving security, and paying salaries). As a result, GOC officials would continue to stall on Gregory's position, according to the former Finance Minister.

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COMMENT
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10. (C) If, as the two Ministers suggest, the issue of the terms of reference of our Treasury Advisor's contract can be separated from that of the revision in the oil law, we are hopeful the matter can be resolved soon. Otherwise it could drag on much longer. Unfortunately, the status of the position will unavoidably be caught up in the bigger debate over the oil law and Chad's relations with the World Bank. We will keep on top of the issue.

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